



CLERK, U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS

**ENTERED**

THE DATE OF ENTRY IS ON  
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed June 22, 2021

  
United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

In re:	§	Case No. 19-34054
	§	
HIGHLAND CAPITAL MANAGEMENT, L.P.	§	Chapter 11
	§	
Debtor.	§	
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HIGHLAND CAPITAL MANAGEMENT, L.P.,	§	
	§	
Plaintiff.	§	
	§	
v.	§	
	§	Adversary No. 20-03190
JAMES D. DONDERO,	§	
	§	
Defendant.	§	

STIPULATION AND AGREED ORDER RESOLVING DEFENDANT'S  
EMERGENCY MOTION TO STAY PENDING APPEAL AND FOR  
APPROVAL OF SUPERSEDEAS BOND OR OTHER SECURITY  
[Relates to Docket No. 196]

STIPULATION AND AGREED ORDER RESOLVING DEFENDANT'S  
EMERGENCY MOTION TO STAY PENDING APPEAL AND FOR  
APPROVAL OF SUPERSEDEAS BOND OR OTHER SECURITY

This stipulation and agreed order (the “Stipulation and Order”) is entered into between Plaintiff Highland Capital Management, L.P. (the “Debtor”) and Defendant James Dondero (“Dondero”). The Debtor and Dondero are collectively referred to herein as the “Parties.”

### **RECITALS**

**WHEREAS**, on March 22 and 24, 2021, this Court conducted a hearing on *Plaintiff’s Motion for an Order Requiring Mr. James Dondero to Show Cause Why He Should Not Be Held in Civil Contempt for Violating the TRO* (the “Contempt Motion”). At the conclusion of the hearing on March 24, 2021, the Court took the matter under advisement.

**WHEREAS**, on June 7, 2021, this Court entered its *Memorandum Opinion and Order Granting In Part Plaintiff’s Motion to Hold James Dondero in Civil Contempt of Court for Alleged Violation of TRO* [Docket Nos. 190 and 191] (the “Contempt Order”). Among other things, the Contempt Order requires Dondero to pay the Debtor \$450,000 by June 22, 2021. The order also provides that a “sanction of \$100,000” will be added by the Court for “each level of rehearing, appeal, or petition for certiorari that Mr. Dondero may choose to take” to the extent such appellate remedy is unsuccessful.

**WHEREAS**, on June 15, 2021, Dondero filed a Notice of Appeal of the Contempt Order. See Docket No. 195 (the “Current Appeal”).

**WHEREAS**, on June 15, 2021, Dondero filed *Defendant’s Emergency Motion to Stay Pending Appeal and for Approval of Supersedeas Bond or Other Security* [Docket No. 196] (the “Motion to Stay”) requesting that this Court stay the enforcement of the Contempt Order pending appeal through the posting of a cash security with the Court in the amount of \$550,000.

**WHEREAS**, since the filing of the Motion to Stay, the Parties have conferred regarding the relief requested in the Motion to Stay and desire to resolve the Motion to Stay on the terms set forth in this stipulation.

**STIPULATION**

**NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING, AND SUBJECT TO THE BANKRUPTCY COURT’S APPROVAL, THE PARTIES HEREBY AGREE AND STIPULATE AS FOLLOWS:**

1. Subject to the terms and conditions herein, the Motion to Stay is **GRANTED**.
2. The enforcement of the Contempt Order is hereby **STAYED** on and after June 21, 2021 until the earlier to occur of (a) the Contempt Order becoming a final, non-appealable order, or (b) the Contempt Order being reversed or vacated by pursuant to a final, non-appealable order.
3. Within twenty-four (24) hours of the Bankruptcy Court’s entry of an order approving this Stipulation and Order, Dondero shall deposit \$600,000 in cash into the Court Registry System, administered by the Administrative Office of the United States Courts under 28 U.S.C. § 2045 (the “Court Registry”).
4. Should Dondero choose to take further appeals, Dondero shall thereafter post an additional \$100,000 in cash simultaneously with the filing of each further appeal beyond the Current Appeal (*i.e.*, a direct or indirect appeal to the Fifth Circuit Court of Appeals, a direct or indirect appeal to the Fifth Circuit *en banc*, and a petition for certiorari to the United States Supreme Court).
5. The deposit of the foregoing amounts into the Court Registry will be done in each case in accordance with General Order 2016-03, Order Regarding Deposit and Investment of Registry Funds, entered by the United States Bankruptcy Court of the Northern District of Texas

on November 17, 2016 (the “General Order”). For the avoidance of doubt, this Order shall constitute the Court’s express order authorizing the deposit or transfer of funds into the Court Registry as required by the terms of the General Order, and the Clerk of Court shall accept this Order as the requisite order of the Court permitting the deposit or transfer of funds into the Court Registry.

6. The Parties reserve their respective rights concerning the precise amount due to the Debtor if and when the Contempt Order becomes a non-appealable, final order.

7. The Bankruptcy Court retains exclusive jurisdiction to interpret and enforce this Stipulation and Order.

IT IS SO STIPULATED.

Dated: June 21, 2021

CONSENTED AND AGREED TO BY:

/s/ John A. Morris

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**ATTORNEYS FOR DEFENDANT JAMES  
DONDERO**